

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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NORTHWEST PIPELINE CORPORATION,)	
CASCADE NATURAL GAS CORPORATION,)	
NORTHWEST NATURAL GAS COMPANY,)	FE DOCKET NO. 92-18-NG
WASHINGTON NATURAL GAS COMPANY,)	
AND)	
THE WASHINGTON WATER POWER COMPANY,)	
_____)	

ORDER DENYING REHEARING

DOE/FE OPINION AND ORDER NO. 664-A

NOVEMBER 9, 1992

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On September 9, 1992, the Office of Fossil Energy (FE) of the Department of Energy (DOE) issued DOE/FE Opinion and Order No. 664 (Order 664)^{1/} to Northwest Pipeline Corporation

(Northwest), Cascade Natural Gas Corporation (Cascade), Northwest Natural Gas Company (Northwest Natural), Washington Natural Gas Company (Washington Natural), and The Washington Water Power Company (Water Power) in FE Docket No. 92-18-NG, transferring the import authority held by Northwest in DOE/FE Opinion and Order No. 383 (Order 383) issued February 7, 1990.^{2/} Originally,

Order 383 authorized Northwest to import up to 152,000 Mcf per day of Canadian natural gas pursuant to the Kingsgate Gas Sales Agreement dated September 23, 1960, as amended. The authority granted to Northwest in Order 383 was transferred by Order 664 to Cascade, Northwest Natural, Washington Natural, and Water Power giving each a separate import authorization corresponding to the volumes of natural gas to be assumed under their respective Assignment Agreements with Northwest. All other terms and conditions of the existing authorization remain in effect. On October 9, 1992, the Independent Petroleum Association of America and the State Producer Associations^{3/} (hereinafter the Producers) listed in Order 664, filed a request for rehearing of

1/ Order 664 is unpublished as of this date.

2/ 1 FE 70,301.

3/ The State Producers Associations are the California Independent Petroleum Association, California Gas Producers Association, Independent Petroleum Association of New Mexico,

Louisiana Association of Independent Producers and Royalty Owners, Panhandle Producers and Royalty Owners Association, and Texas Independent Producers and Royalty Owners Association.

Order 664. In support of their request, Producers identify errors allegedly made by DOE in granting Order 664. However phrased, the alleged errors involve the same issues raised in their original intervention and protest. FE examined and addressed these arguments on their merits in Order 664. Producers have not raised any new arguments or provided new information that would cause FE to change its decision.

In addition, FE is taking into consideration section 201 of The Energy Policy Act of 1992 (Pub. L. 102-486), signed by President Bush on October 24, 1992. Section 201 amends section 3 of the Natural Gas Act (NGA) to make a statutory finding in new section 3(c) that natural gas imports from, or exports to, a nation which has in effect a free trade agreement with the United States requiring national treatment for trade in natural gas, and imports of liquefied natural gas generally, are consistent with the public interest. Import and export applications within the scope of the amendment, like the restructured import arrangement in this proceeding, must be granted without modification or delay.

For the reasons discussed above and in Order 664, FE rejects Producers' arguments and, pursuant to sections 3 and 19 of the NGA, their application for rehearing is hereby denied.

Issued in Washington, D.C., on November 9, 1992.

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Charles F. Vacek

Deputy Assistant Secretary
for Fuels Programs
Office of Fossil Energy